

## **EXHIBIT 7**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
CIVIL NO. 97-3496 (DRD)

-----  
WALSH SECURITIES,  
INC.,

Plaintiff,

v.

CRISTO PROPERTY  
MANAGEMENT, LTD., a/k/a  
G.J.L. LIMITED; DEK  
HOMES OF NEW JERSEY,  
INC.; OAKWOOD  
PROPERTIES, INC.;  
NATIONAL HOME FUNDING,  
INC.; CAPITAL ASSETS  
PROPERTY MANAGEMENT &  
INVESTMENT CO., INC.;  
CAPITAL ASSETS  
PROPERTY MANAGEMENT,  
L.L.C.; WILLIAM KANE;  
GARY GRIESER; ROBERT  
SKOWRENSKI, II;  
RICHARD CALANNI;  
RICHARD DI BENEDETTO;  
JAMES R. BROWN; THOMAS  
BRODO; ROLAND PIERSON;  
STANLEY YACKER, ESQ.;  
MICHAEL ALFIERI, ESQ.;  
RICHARD PEPSNY, ESQ.;  
ANTHONY M. CICALASE,  
ESQ.; LAWRENCE CUZZI;  
ANTHONY D'APOLITO; DAP  
CONSULTING, INC.;  
COMMONWEALTH LAND  
TITLE INSURANCE CO.;  
NATIONS TITLE  
INSURANCE OF NEW YORK,  
INC.;

COPY

DEPOSITION UPON  
ORAL EXAMINATION  
OF  
ROBERT C. WALSH

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1	TRANSCRIPT of the stenographic	3	1
2	notes of HOWARD A. RAPPAPORT, a Notary Public and	4	(Exhibits marked for identification
3	Certified Shorthand Reporter of the State of	5	Robert Walsh-1, Notice to take oral deposition of
4	New Jersey, Certificate No. X100416, taken at the	6	plaintiff Walsh Securities; Robert Walsh-2, Fourth
5	offices of MC CARTER & ENGLISH, LLP, Four Gateway	7	amended complaint; Robert Walsh-3, Letter dated
6	Center, Newark, New Jersey, on Friday,	8	April 3, 1998 from Walsh Securities to William T.
7	April 9, 2010, commencing at 9:35 a.m.	9	Lutz.)
8		10	MR. KOTT: Before we swear the witness,
9		11	I had marked for identification exhibit Robert
10		12	Walsh-1, which is a notice to take oral deposition of
11		13	plaintiff Walsh Securities, Inc. which I served on
12		14	Mr. Magnanini.
13		15	Robert Walsh-2 is the fourth-amended
14		16	complaint that is filed as document 302, filed with
15		17	the clerk electronically on 07/10/2009. Attached to
16		18	it is document number 302-2, electronically filed the
17		19	same day, which are the exhibits.
18		20	Exhibit Robert Walsh-3 is an April 3,
19		21	1998 letter and its endosures written by Fred H.
20		22	Schlesinger, vice president and general counsel of
21		23	Walsh Securities, Inc., to William T. Lutz, Esquire,
22		24	Sedwick Law Firm, apparently making a claim under a
23		25	mortgage bankers bond.
24			MR. MAGNANINI: Do you have copies of
25			those? I didn't bring any.
			MR. KOTT: Yes.

2 (Pages 2 to 5)

Walsh - direct

<p style="text-align: right;">42</p> <p>1 A Walsh-1, this is noticing my deposition.</p> <p>2 Q Right.</p> <p>3 A For whatever reason, I believe Bette's</p> <p>4 answer copied on this. So she saw I was being</p> <p>5 deposed.</p> <p>6 Q Okay.</p> <p>7 A And that she saw me being deposed, she</p> <p>8 said, is this good or bad for you?</p> <p>9 Q Why would she speak to you about that?</p> <p>10 A You sent a copy of this to her.</p> <p>11 Q But why would she have an interest in</p> <p>12 what's good or bad for you?</p> <p>13 A I'm her brother.</p> <p>14 Q Okay.</p> <p>15 Are you aware of any reason that Bette</p> <p>16 Ann could not give a deposition?</p> <p>17 A My personal knowledge, no.</p> <p>18 Q Are you aware whether Bette Ann is</p> <p>19 available for a deposition on Tuesday?</p> <p>20 A I don't know. I haven't spoken to her.</p> <p>21 Q Do you have access to Yankee tickets?</p> <p>22 A Personally, no.</p> <p>23 Q What do you mean when you say</p> <p>24 "personally"?</p> <p>25 A You can buy Yankee Stadium tickets. I</p>	<p style="text-align: right;">44</p> <p>1 A That she was a shareholder.</p> <p>2 Q And how much stock did you say she</p> <p>3 owned?</p> <p>4 A Five percent.</p> <p>5 Q And why did you testify to that?</p> <p>6 A When we were doing the merger with RBMG,</p> <p>7 we knew what the exchange rate for Walsh Securities</p> <p>8 shares going into RBMG were going to be in the first</p> <p>9 week of April of 1997.</p> <p>10 I went to 19 people, some relatives</p> <p>11 outside that didn't work for Walsh, some friends</p> <p>12 outside of Walsh, and some Walsh people.</p> <p>13 I said, listen, I'm giving you shares of</p> <p>14 my stock, and you are going to be able to convert</p> <p>15 these shares into RBMG shares and you are going to be</p> <p>16 able to get blank number of shares, and at the</p> <p>17 closing of Walsh-RBMG merger, I'm going to give you</p> <p>18 the shares and you can convert them into RBMG shares.</p> <p>19 That was in my mind. That stuck in my</p> <p>20 mind, and to this day that's in my mind.</p> <p>21 The S4 was a document that was prepared</p> <p>22 by my attorneys. There were certain things in the</p> <p>23 document that were going to be done once the merger</p> <p>24 took place. The merger did not take place. I was</p> <p>25 not giving up shares of my company to people if there</p>
<p style="text-align: right;">43</p> <p>1 don't know what you're referring to.</p> <p>2 Q You don't have like season tickets or</p> <p>3 anything like that?</p> <p>4 A Myself, no.</p> <p>5 Q What was Bette Ann's -- withdrawn.</p> <p>6 When was Walsh Securities, Inc. formed,</p> <p>7 approximately?</p> <p>8 A Walsh Securities, Inc. was formed in</p> <p>9 April of 1996.</p> <p>10 Q And were you a stockholder?</p> <p>11 A I acquired in April of 1996 GF Mortgage,</p> <p>12 which then became Walsh Securities, and there was</p> <p>13 four shareholders, my two daughters and myself, and</p> <p>14 Grinch Capital had a warrant and we were the</p> <p>15 shareholders of Walsh Securities.</p> <p>16 Q Was Bette Ann DeMola ever a shareholder</p> <p>17 of Walsh Securities?</p> <p>18 A No, she was not.</p> <p>19 Q Have you ever testified under oath that</p> <p>20 she was?</p> <p>21 A I did.</p> <p>22 Q When was that?</p> <p>23 A Citiscape transaction, Citiscape</p> <p>24 deposition.</p> <p>25 Q What did you testify under oath there?</p>	<p style="text-align: right;">45</p> <p>1 was going to be no merger.</p> <p>2 Q The S4, what is that document?</p> <p>3 A The S4 was going to be the merger</p> <p>4 agreement filed with the SEC by RBMG.</p> <p>5 Q I'm not sure I understand why you</p> <p>6 testified in the Citiscape deposition that Bette Ann</p> <p>7 owned five percent of the stock if that was not the</p> <p>8 case.</p> <p>9 A I also testified in that deposition that</p> <p>10 John Arbendorf was a board member, Bill Biggs was a</p> <p>11 board member and Jill Walsh was a board member, and</p> <p>12 they weren't.</p> <p>13 There was a period of time that was very</p> <p>14 difficult from '97 to this period of time. A lot of</p> <p>15 things stuck in my head. These people were getting</p> <p>16 that stock. There is no question they were getting</p> <p>17 the stock. I was giving them that stock. It stuck</p> <p>18 in my head. I made a mistake.</p> <p>19 Q Who else -- you said -- there were 19</p> <p>20 people you were giving it to?</p> <p>21 A That's correct.</p> <p>22 Q Was one of those D'Apolito?</p> <p>23 A Yes, it was.</p> <p>24 Q What percentage was D'Apolito going to</p> <p>25 get?</p>

12 (Pages 42 to 45)

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DEPOSITION UPON  
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ROBERT C. WALSH

PAGE 262

<p>1 : 2 : 3 FIDELITY NATIONAL : 4 TITLE INSURANCE CO. OF : 5 NEW JERSEY; COASTAL : 6 TITLE AGENCY; DONNA : 7 PEPSNY; WEICHERT : 8 REALTORS and VECCHIO : 9 REALTY, INC. D/b/a : 10 MURPHY REALTY BETTER : 11 HOMES AND GARDENS, : 12 : 13 Defendants. : 14 : 15 : 16 : 17 : 18 : 19 : 20 : 21 : 22 : 23 : 24 : 25 :</p> <p>TRANSCRIPT of the stenographic notes of HOWARD A. RAPPAPORT, a Notary Public and Certified Shorthand Reporter of the State of New Jersey, Certificate No. XI00416, taken at the offices of MC CARTER &amp; ENGLISH, LLP, Four Gateway Center, Newark, New Jersey, on Friday, April 23, 2010, commencing at 8:35 a.m.</p>	<p>1 2 INDEX 3 4 WITNESS PAGE 5 ROBERT C. WALSH 6 Cross-Examination by Mr. Hayes 266 7 EXHIBITS DESCRIPTION FOR IDENT. 8 Robert Closing instructions 373 9 Walsh-7 Closing service letter 373 10 Walsh-8 Letter via e-mail and 409 11 Walsh-9 regular mail dated 12 March 5, 2010 13 Robert Letter via e-mail and 409 14 Walsh-10 regular mail dated 15 April 6, 2010 16 Robert Uniform settlement 420 17 Walsh-11 statement 18 Robert Secondary mortgage loan 421 19 Walsh-12 20 Robert Wholesale mortgage 421 21 Walsh-13 commitment 22 Robert Contract for sale of real 433 23 Walsh-14 estate 24 Robert Document entitled, 433 25 Walsh-15 "Fidelity National Title" Robert Review checklist 440 Walsh-16 Robert HUD 1, Uniform Settlement 440 Walsh-17 Statement Robert HUD 1 review form 448 Walsh-18 Robert Uniform underwritten 448 Walsh-19 transmittal summary form Robert Wholesale mortgage 453 Walsh-20 commitment Robert WSI common stock 476 Walsh-21 ownership, SEC filing</p>
<p>1 APPEARANCES: 2 STONE &amp; MANGANINI 3 150 John F. Kennedy Parkway 4 Short Hills, New Jersey 07078 5 BY: DAVID STONE, ESQ., 6 AMY WALKER WAGNER, ESQ., 7 For the Plaintiff 8 9 MC CARTER &amp; ENGLISH, LLP 10 Four Gateway Center 11 100 Mulberry Street 12 Newark, New Jersey 07102-0652 13 BY: DAVID R. KOTT, ESQ., 14 For Defendant/Third-Party Plaintiff Commonwealth Land 15 Title Insurance Company 16 17 FOX, ROTHSCHILD, O'BRIEN &amp; FRANKEL 18 997 Lenox Drive 19 Lawrenceville, New Jersey 08648 20 BY: EDWARD J. HAYES, ESQ., 21 For Defendants Nations Title Insurance and 22 Fidelity National Title Insurance 23 METHESSEL &amp; WERBEL 24 3 Ethel Road 25 Suite 300 Edison, New Jersey 08818 BY: MARTIN R. MC GOWAN, ESQ., For Coastal Title Agency</p>	<p>1 ROBERT C. WALSH, having been previously 2 sworn, testifies as follows: 3 CROSS-EXAMINATION (CONTINUING) 4 BY MR. HAYES: 5 Q Good morning, Mr. Walsh. 6 A Good morning. 7 Q You recall you were sworn at the last 8 deposition and that oath continues this morning? 9 A I do. 10 Q At the last deposition, Mr. Walsh, you 11 indicated that there were any number of things that 12 you were going to do in response to questions-between 13 that deposition and before this morning. 14 Do you recall that? 15 A I do. 16 Q Did you take steps to try to answer some 17 of the questions that you could not answer at the 18 last deposition? 19 A I did. 20 Q Can you tell me what you did between the 21 last deposition and today to further prepare for 22 today's deposition other than speaking with your 23 attorneys? 24 MR. STONE: You can answer that 25 question, other than conversations with counsel.</p>

2 (Pages 263 to 266)

Walsh - cross

<p>339</p> <p>1 Q So my question to you is, who is making</p> <p>2 the decision at Walsh? I'm not asking for an</p> <p>3 individual person, but I'm trying to figure out what</p> <p>4 department we are in at this point in time, that we</p> <p>5 are now comfortable funding this loan.</p> <p>6 A The closing department.</p> <p>7 Q And that is done after the closing,</p> <p>8 correct?</p> <p>9 A Correct.</p> <p>10 Q So that the closing department has the</p> <p>11 opportunity to satisfy itself that Walsh is protected</p> <p>12 before it lets its money out the door, correct?</p> <p>13 A Correct.</p> <p>14 Q You would not expect to see any file</p> <p>15 funded where the closing department hadn't confirmed</p> <p>16 that it had a signed closing protection letter, it</p> <p>17 had an executed HUD 1, and it had a completed</p> <p>18 appraisal, correct?</p> <p>19 A Some of those documents -- again, things</p> <p>20 happen on an exception basis.</p> <p>21 Q I'm talking about what you would expect</p> <p>22 to find in a properly handled file.</p> <p>23 A Correct.</p> <p>24 Q All of those things I mentioned,</p> <p>25 correct?</p>	<p>341</p> <p>1 A Yes.</p> <p>2 Q What is it the post closing department</p> <p>3 does at Walsh?</p> <p>4 A Follows up on documents, making sure</p> <p>5 documents are sent to the investor, if there was an</p> <p>6 investor, or the trustee in case of a security.</p> <p>7 Q And the post closer would be responsible</p> <p>8 for putting the file in a position where the</p> <p>9 potential investor could review it and make a</p> <p>10 decision about buying the paper, correct?</p> <p>11 A That would be one of their functions,</p> <p>12 correct.</p> <p>13 Q And was there a general time period when</p> <p>14 Walsh wanted the loan out the door?</p> <p>15 A Can you be more specific?</p> <p>16 Q Sure.</p> <p>17 Walsh didn't hold loans, correct? It</p> <p>18 sold them in the secondary market?</p> <p>19 A That's correct.</p> <p>20 Q Was there a time period within which</p> <p>21 Walsh would have liked to dispose of its loans?</p> <p>22 A There was periods of time that we held</p> <p>23 loans longer because we were forming securities,</p> <p>24 whereas in loans we wanted them out quickly.</p> <p>25 Q In a perfect world, other than</p>
<p>340</p> <p>1 A With the exception that from time to</p> <p>2 time there may have been an exception.</p> <p>3 Q Can you think of any reason at all,</p> <p>4 Mr. Walsh, where Walsh Securities would have made an</p> <p>5 exception for not having a closing protection letter</p> <p>6 in the file?</p> <p>7 A Right now, no.</p> <p>8 Q Would there be someone who would know</p> <p>9 that at Walsh besides you?</p> <p>10 A Possibly Fred Schlesinger.</p> <p>11 Q Can you think of anyone -- I'm sorry,</p> <p>12 strike that.</p> <p>13 Can you think of any exception that</p> <p>14 Walsh would make to not having a completed executed</p> <p>15 HUD 1 prior to disbursing?</p> <p>16 A I do not know the answer to that.</p> <p>17 Q Is there anyone that you believe would?</p> <p>18 A Fred Schlesinger.</p> <p>19 Q Is there anything more the closer</p> <p>20 handles after authorizing the wire of the money and</p> <p>21 collecting the documents back from the closing? Or</p> <p>22 is that the end of their function?</p> <p>23 A I believe that's the end.</p> <p>24 Q And does that then kick in the post</p> <p>25 closing department?</p>	<p>342</p> <p>1 securities, you would have a loan out the door the</p> <p>2 day you funded it?</p> <p>3 A In a perfect world, yes.</p> <p>4 Q In order to sell a loan in the secondary</p> <p>5 market, did you have to have a title policy in hand?</p> <p>6 A I do not believe so, no.</p> <p>7 Q Did you have to have a marked-up</p> <p>8 commitment?</p> <p>9 A I don't know the answer to that.</p> <p>10 Q Did you have to have an executed HUD 1?</p> <p>11 A To my knowledge, yes.</p> <p>12 Q Did there have to be an appraisal in the</p> <p>13 file?</p> <p>14 A Yes.</p> <p>15 Q And once the loan is out the door,</p> <p>16 Mr. Walsh, your involvement is completed, correct?</p> <p>17 A No.</p> <p>18 Q What do you do after it goes out the</p> <p>19 door, the company?</p> <p>20 A Follow up on trailing documents.</p> <p>21 Q Walsh was not a servicer, correct?</p> <p>22 A That is correct.</p> <p>23 Q Some companies such as yours would</p> <p>24 service loans afterwards, and that was another</p> <p>25 mechanism by which they could make additional money</p>

21 (Pages 339 to 342)



1 UNITED STATES DISTRICT COURT  
2 DISTRICT OF NEW JERSEY  
3 Civil Action No. 97-cv-3496 (DRD) (MAS)  
4 WALSH SECURITIES, INC., :  
5 Plaintiff, : DEPOSITION OF:  
6 v. : ROBERT C. WALSH  
7 (VOLUME III)  
8 CRISTO PROPERTY MANAGEMENT, LTD., :  
9 a/k/a G.J.L. LIMITED; DEK HOMES  
10 OF NEW JERSEY, INC.; OAKWOOD :  
11 PROPERTIES, INC.; NATIONAL HOME  
12 FUNDING, INC.; CAPITAL ASSETS :  
13 PROPERTY MANAGEMENT & INVESTMENT  
14 CO., INC.; CAPITAL ASSETS PROPERTY:  
15 MANAGEMENT, L.L.C.; WILLIAM KANE;  
16 GARY GRIESER; ROBERT SKOWRENSKI, :  
17 II; RICHARD CALANNI; RICHARD  
18 DiBENEDETTO; JAMES R. BROWN; :  
19 THOMAS BRODO; ROLAND PIERSON;  
20 STANLEY YACKER, ESQ.; MICHAEL :  
21 ALFIERI, ESQ.; RICHARD PEPSNY,  
22 ESQ.; ANTHONY M. CICALEASE, ESQ.; :  
23 LAWRENCE CUZZI; ANTHONY D'APOLITO;  
24 DAP CONSULTING, INC.; COMMONWEALTH:  
25 LAND TITLE INSURANCE CO.; NATIONS  
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AGENCY; DONNA PEPSNY; WEICHERT  
REALTORS and VECCHIO REALTY, INC. :  
d/b/a MURPHY REALTY BETTER HOMES  
AND GARDENS, :  
:

Defendants.

X-----X

TRANSCRIPT of testimony as taken by and  
before CHERYL McGANN, a Certified Court Reporter  
of the State of New Jersey, at the offices of  
McCARTER & ENGLISH, LLP, Four Gateway Center,  
Newark, New Jersey, on Friday, September 30, 2011,  
commencing at 9:14 a.m.

Job No. NJ356367



1 the loans involved in this case?

2 A. I don't know the answer to that.

3 Q. Okay. None to your knowledge?

4 A. Yeah, I just don't know.

5 Q. Okay. So when we talk about the Cityscape  
6 loans that we're talking about in this case that you  
7 repurchased, those were individual loans you  
8 repurchased?

9 A. Well, let's go back to the Cityscape  
10 transaction. Cityscape had sued us to repurchase  
11 those loans. They also sued us to repurchase  
12 approximately another \$15 million worth of loans.  
13 The judge, listening to all the testimony, decided  
14 that 32 loans were to be repurchased by Walsh  
15 Securities. Of those loans we did not have the  
16 ability to repurchase, they were able to obtain a  
17 judgment against us, and they were against specific  
18 loans of Asbury Park -- we'll call it Asbury Park,  
19 if you don't mind.

20 Q. Okay.

21 A. -- and we acquired the judgment.

22 Q. How much was the judgment that the judge  
23 entered against you in the Cityscape litigation,  
24 approximately?

25 A. 4.2 million.

## **EXHIBIT 8**

STANLEY YACKER

Page 1

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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
Civil Action No.  
97-cv-3496 (DRD) (MAS)

WALSH SECURITIES, INC., :  
:  
Plaintiff, :  
:  
vs. : DEPOSITION OF:  
: STANLEY YACKER  
CRISTO PROPERTY MANAGEMENT,  
LTD., a/k/a G.J.L. LIMITED;  
OAKWOOD PROPERTIES, INC.;  
NATIONAL HOME FUNDING, INC.;  
CAPITAL ASSETS PROPERTY  
MANAGEMENT & INVESTMENT CO.,  
INC.; CAPITAL ASSETS PROPERTY  
MANAGEMENT, L.L.C.; WILLIAM  
KANE; GARY GRIESER; ROBERT  
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INSURANCE CO. OF NEW YORK;  
Coastal Title Agency; DONNA  
PEPSNY; WEICHERT REALTORS; and  
VECCHIO REALTY, INC., D/B/A  
MURPHY REALTY BETTER HOMES  
And GARDENS :

Defendants. :

- - - - -

STANLEY YACKER

Page 2

1                   TRANSCRIPT of the stenographic notes of  
2     the proceedings in the above-entitled matter, as  
3     taken by and before JANET BAILYN, a Certified  
4     Shorthand Reporter and Notary Public of the State of  
5     New Jersey, held at the office of STONE & MAGNANINI,  
6     150 John F. Kennedy Parkway, Short Hills, New Jersey,  
7     on June 1, 2010, commencing at 9:56 in the forenoon.

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STANLEY YACKER

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1 50/50 or something like that. I certainly had other  
2 real estate matters totally apart from Bill Kane and  
3 I would probably say Bill -- I can't estimate. It  
4 was a significant portion of my real estate matters.

5 Q. For the other real estate matters you  
6 had, did Lorraine King do all the closing work or did  
7 you do all those?

8 A. There was a period when we soloed, we  
9 started -- it was just she and I and so, yeah, I had  
10 other closings and she did them. She needed in the  
11 early months a little more guidance than she later  
12 did. As I think I mentioned she was very bright and  
13 picked up very fast.

14 Q. I guess my question was: On those other  
15 real estate closings, you participated in them as  
16 well as Miss King?

17 A. Oh, yes. Oh, yes.

18 Q. So it was only the Kane ones that you  
19 weren't involved in the actual closing process?

20 A. Yes.

21 Q. At the closings was there typically a  
22 double closing? By that I mean, there was a straw  
23 buyer purchasing a property from Mr. Kane's companies  
24 and then there was a transfer by the buyer to a joint  
25 venture that was comprised of Mr. Grieser's company,

STANLEY YACKER

Page 118

1 you mentioned before Capital Assets Property  
2 Management and the straw buyer?

3 A. Yes.

4 Q. And could you explain how that occurred?

5 A. Yes. The straw buyers, I guess when  
6 they were recruited as straw buyers, and I know they  
7 got paid and I've heard various estimates of a  
8 thousand, 2,000, but I don't know the nitty-gritty of  
9 those -- of those inner transactions.

10 Q. Why were they paid, Mr. Yacker?

11 A. Because what they were doing was lending  
12 their name and supposedly their good credit to a  
13 transaction that without them would have had to be  
14 done by somebody who would probably be a repeat that  
15 Walsh for whatever reason rejected or didn't want,  
16 and, again, I'm not sure why as far as that goes. So  
17 they were being paid.

18 Q. Do you know that Walsh would have  
19 rejected or not wanted them?

20 A. Yeah, but, again, I'm getting a lot of  
21 this secondhand. Again, the flavor I was getting was  
22 that -- I don't know if it was a limitation on the --  
23 well, I don't know, but they just wanted to do so  
24 many with any one person before it -- before bells  
25 and whistles went off. I don't know why.

## **EXHIBIT 9**



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1 UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
2 Civil Action No.  
97-cv-3496 (DRD) (MAS)

WALSH SECURITIES, INC., :  
4 :  
Plaintiff, :  
5 : VOLUME II  
vs. : DEPOSITION OF:  
6 : ROBERT AGEL

CRISTO PROPERTY MANAGEMENT,  
LTD., a/k/a G.J.L. LIMITED;  
OAKWOOD PROPERTIES, INC.;  
NATIONAL HOME FUNDING, INC.;  
CAPITAL ASSETS PROPERTY  
MANAGEMENT & INVESTMENT CO.,  
INC.; CAPITAL ASSETS PROPERTY  
MANAGEMENT, L.L.C.; WILLIAM  
KANE; GARY GRIESER; ROBERT  
SKOWRENSKI, II; RICHARD CALANNI;  
RICHARD DiBENEDETTO; JAMES R.  
BROWN; THOMAS BRODO; ROLAND  
PIERSON; STANLEY YACKER, ESQ.;  
MICHAEL ALFIERI, ESQ.; RICHARD  
PEPSNY, ESQ.; ANTHONY M.  
CICALESE, ESQ.; LAWRENCE CUZZI;  
ANTHONY D'APOLITO; DAP CONSULTING,  
INC.; COMMONWEALTH LAND TITLE  
INSURANCE CO.; NATIONS TITLE  
INSURANCE OF NEW YORK, INC.;  
FIDELITY NATIONAL TITLE  
INSURANCE CO. OF NEW YORK;  
COASTAL TITLE AGENCY; DONNA  
PEPSNY; WEICHERT REALTORS; and  
VECCHIO REALTY, INC., D/B/A  
MURPHY REALTY BETTER HOMES  
And GARDENS :

20 :  
21 Defendants. :  
:

[illegible]

ROBERT AGEL

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1 TRANSCRIPT of the stenographic notes of  
2 the proceedings in the above-entitled matter, as  
3 taken by and before JANET BAILYN, a Certified  
4 Shorthand Reporter and Notary Public of the State of  
5 New Jersey, held at the office of MANNING, CALIENDO &  
6 THOMSON, 36 West Main Street, Freehold, New Jersey,  
7 on August 5, 2010, commencing at 10:25 in the  
8 forenoon.

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1 questions. Yesterday we deposed Mr. Pepsny and so he  
2 recalls having conversations with you about certain  
3 things. One of the questions I had asked him about  
4 though was that when Coastal Title did that filing  
5 of -- it turned out to be -- 150 different deeds and  
6 mortgages back in April of '97, a number of the deeds  
7 that were filed were what I'll call joint venture  
8 deeds; that is, they were a deed from the straw buyer  
9 of Kane's -- the property purchased by Mr. Kane's  
10 company and it divided 60 percent of that property  
11 and gave that to Capital Assets Property Management  
12 Company, which was, as we said, Mr. Grieser's  
13 company, and 40 percent to the mortgagee. And  
14 those --

15 MR. MCGOWAN: Not the mortgagee.

16 MR. MAGNANINI: The mortgagor.

17 MR. MCGOWAN: Right.

18 Q. Those deeds were recorded along with  
19 these other deeds, and I had asked Mr. Pepsny if he  
20 had ever had any discussions with you about those  
21 joint venture deeds. Do you recall ever discussing  
22 those joint venture deeds with Mr. Pepsny?

23 A. I don't recall whether it was Pepsny or  
24 Yacker. I did talk to someone about them because I  
25 wanted to know what they were all about, but I

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1       couldn't tell you whether it was Yacker or Pepsny.

2               Q.       Do you recall talking to anybody about  
3       those deeds needed to be filed along with all of  
4       these other documents?

5               A.       No. I needed to know who I was  
6       insuring, whether I was insuring the original  
7       mortgagor or whether they were insuring the -- we  
8       were insuring the second deed.

9               Q.       The 60/40 split?

10              A.       Correct.

11              Q.       And who did -- who were you ultimately  
12       insuring?

13              A.       The original purchaser, the purchase  
14       money mortgagor.

15              Q.       And how did you determine that?

16              A.       Through asking either Yacker or Pepsny.  
17       I don't recall which one.

18              Q.       That one of the attorneys told you?

19              A.       Yes.

20              Q.       Okay. Because of all the various  
21       documents we have seen, we have seen title  
22       commitments issued on the Kane Company purchase of  
23       the property and then, as we talked about, the tile  
24       commitment with the capital A in parenthesis --

25              A.       Right.